

# Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0415

**2004**

**Purpose.** Form W-4P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities, including commercial annuities, and certain other deferred compensation. Use Form W-4P to tell payers the correct amount of Federal income tax to withhold from your payment(s). You also may use Form W-4P to choose (a) not to have any income tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution as explained on

pages 3 and 4. **Your previously filed Form W-4P will remain in effect if you do not file a Form W-4P for 2004.**

**What do I need to do?** Complete lines A through G of the **Personal Allowances Worksheet**. Use the additional worksheets on page 2 to adjust your withholding allowances for itemized deductions, adjustments to income, certain credits, or multiple pensions/more-than-one-income situations. If you do not want any income tax withheld, you can skip the worksheets and go directly to the Form W-4P below.

**Sign this form.** Form W-4P is not valid unless you sign it.

## Personal Allowances Worksheet (Keep for your records.)

**A** Enter "1" for **yourself** if no one else can claim you as a dependent . . . . . **A** \_\_\_\_\_

**B** Enter "1" if: 

|   |   |   |           |                |
|---|---|---|-----------|----------------|
| { | • You are single and have only one pension; or  | } | . . . . . | <b>B</b> _____ |
|   | • You are married, have only one pension, and your spouse has no income subject to withholding; or                        |   |           |                |
|   | • Your income from a second pension or a job, or your spouse's pension or wages (or the total of all) is \$1,000 or less. |   |           |                |

**C** Enter "1" for your **spouse**. But, you may choose to enter "-0-" if you are married and have either a spouse who has income subject to withholding or you have more than one source of income subject to withholding. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . . **C** \_\_\_\_\_

**D** Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return . . . . . **D** \_\_\_\_\_

**E** Enter "1" if you will file as **head of household** on your tax return. . . . . **E** \_\_\_\_\_

**F Child Tax Credit** (including additional child tax credit):

- If your total income will be less than \$52,000 (\$77,000 if married), enter "2" for each eligible child.
- If your total income will be between \$52,000 and \$84,000 (\$77,000 and \$119,000 if married), enter "1" for each eligible child plus "1" **additional** if you have four or more eligible children . . . . . **F** \_\_\_\_\_

**G** Add lines A through F and enter total here. **Note:** *This may be different from the number of exemptions you claim on your tax return.* . . . . . **G** \_\_\_\_\_

For accuracy, complete all worksheets that apply.

- |   |  |   |
|---|--|---|
| { | • If you plan to <b>itemize or claim adjustments to income</b> and want to reduce your withholding, see the <b>Deductions and Adjustments Worksheet</b> on page 2.   | } |
|   | • If you have more than one source of income subject to withholding or a spouse with income subject to withholding <b>and</b> your combined income from all sources exceeds \$35,000 (\$25,000 if married), see the <b>Multiple Pensions/More-Than-One-Income Worksheet</b> on page 2 to avoid having too little tax withheld. |   |
|   | • If <b>neither</b> of the above situations applies, <b>stop here</b> and enter the number from line G on line 2 of Form W-4P below.   |   |

----- Cut here and give Form W-4P to the payer of your pension or annuity. Keep the top part for your records. -----

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► For Privacy Act and Paperwork Reduction Act Notice, see page 4.

|   |   |
|---|---|
| Type or print your full name                    | Your social security number<br>:<br>:<br>:  |
| Home address (number and street or rural route) | Claim or identification number<br>(if any) of your pension or<br>annuity contract |
| City or town, state, and ZIP code               |   |

### Complete the following applicable lines:

- 1 Check here if you **do not want any** Federal income tax withheld from your pension or annuity. (Do not complete lines 2 or 3.) ► ☐
- 2 Total number of allowances and marital status you are claiming for withholding from each **periodic** pension or annuity payment. (You may also designate an additional dollar amount on line 3.) . . . . . ►    
Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher "Single" rate (Enter number of allowances.)
- 3 Additional amount, if any, you want withheld from each pension or annuity payment. **Note:** *For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2* . . . . . ► \$

Your signature ►

Date ►

**Deductions and Adjustments Worksheet**

**Note:** Use this worksheet **only** if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2004 tax return.

- 1 Enter an estimate of your 2004 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. (For 2004, you may have to reduce your itemized deductions if your income is over \$142,700 (\$71,350 if married filing separately). See **Worksheet 3** in Pub. 919 for details.) . . . **1** \$ \_\_\_\_\_
- 2 Enter:  $\left\{ \begin{array}{l} \$9,700 \text{ if married filing jointly or qualifying widow(er)} \\ \$7,150 \text{ if head of household} \\ \$4,850 \text{ if single} \\ \$4,850 \text{ if married filing separately} \end{array} \right\}$  . . . . . **2** \$ \_\_\_\_\_
- 3 **Subtract** line 2 from line 1. If line 2 is greater than line 1, enter "-0-" . . . . . **3** \$ \_\_\_\_\_
- 4 Enter an estimate of your 2004 adjustments to income, including alimony, deductible IRA contributions, and student loan interest . . . . . **4** \$ \_\_\_\_\_
- 5 **Add** lines 3 and 4 and enter the total. (Include any credit amounts from **Worksheet 7** in Pub. 919.) . . . **5** \$ \_\_\_\_\_
- 6 Enter an estimate of your 2004 income not subject to withholding (such as dividends or interest) . . . **6** \$ \_\_\_\_\_
- 7 **Subtract** line 6 from line 5. Enter the result, but not less than "-0-" . . . . . **7** \$ \_\_\_\_\_
- 8 **Divide** the amount on line 7 by \$3,000 and enter the result here. Drop any fraction . . . . . **8** \_\_\_\_\_
- 9 Enter the number from the **Personal Allowances Worksheet**, line G, page 1 . . . . . **9** \_\_\_\_\_
- 10 **Add** lines 8 and 9 and enter the total here. If you use the **Multiple Pensions/More-Than-One-Income Worksheet**, also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4P, line 2, page 1 . . . . . **10** \_\_\_\_\_

**Multiple Pensions/More-Than-One-Income Worksheet**

**Note:** Complete only if the instructions under line G, page 1, direct you here. This applies if you (and your spouse if married filing a joint return) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).

- 1 Enter the number from line G, page 1 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**) **1** \_\_\_\_\_
  - 2 Find the number in **Table 1** below that applies to the **LOWEST** paying pension or job and enter it here **2** \_\_\_\_\_
  - 3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4P, line 2, page 1. **Do not** use the rest of this worksheet . . . . . **3** \_\_\_\_\_
- Note:** If line 1 is **less than** line 2, enter "-0-" on Form W-4P, line 2, page 1. Complete lines 4-9 below to calculate the additional withholding amount necessary to avoid a year-end tax bill.
- 4 Enter the number from line 2 of this worksheet . . . . . **4** \_\_\_\_\_
  - 5 Enter the number from line 1 of this worksheet . . . . . **5** \_\_\_\_\_
  - 6 **Subtract** line 5 from line 4 . . . . . **6** \_\_\_\_\_
  - 7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying pension or job and enter it here **7** \$ \_\_\_\_\_
  - 8 **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed. **8** \$ \_\_\_\_\_
  - 9 **Divide** line 8 by the number of pay periods remaining in 2004. For example, divide by 12 if you are paid every month and you complete this form in December 2003. Enter the result here and on Form W-4P, line 3, page 1. This is the additional amount to be withheld from each payment . . . . . **9** \$ \_\_\_\_\_

**Table 1: Multiple Pensions/More-Than-One Income Worksheet**

| Married Filing Jointly                                  |  |                       | Married Filing Jointly                                  |   |                       | All Others   |                       |
|---|--|-----------------------|---|---|-----------------------|--|-----------------------|
| If amount from <b>highest</b> paying pension or job is— | AND, amount from <b>LOWEST</b> paying pension or job is— | Enter on line 2 above | If amount from <b>highest</b> paying pension or job is— | AND, amount from <b>LOWEST</b> paying pension or job is — | Enter on line 2 above | If amount from <b>LOWEST</b> paying pension or job is— | Enter on line 2 above |
| \$0 - \$40,000  | \$0 - \$4,000  | 0                     | \$40,001 and over                                       | \$31,001 - \$38,000                                       | 6                     | \$0 - \$6,000  | 0                     |
|   | 4,001 - 8,000  | 1                     |   | 38,001 - 44,000   | 7                     | 6,001 - 11,000   | 1                     |
|   | 8,001 - 17,000   | 2                     |   | 44,001 - 50,000   | 8                     | 11,001 - 18,000  | 2                     |
|   | 17,001 and over  | 3                     |   | 50,001 - 55,000   | 9                     | 18,001 - 25,000  | 3                     |
|   |  |                       |   | 55,001 - 65,000   | 10                    | 25,001 - 31,000  | 4                     |
| \$40,001 and over                                       | \$0 - \$4,000  | 0                     |   | 65,001 - 75,000   | 11                    | 31,001 - 44,000  | 5                     |
|   | 4,001 - 8,000  | 1                     |   | 75,001 - 85,000   | 12                    | 44,001 - 55,000  | 6                     |
|   | 8,001 - 15,000   | 2                     |   | 85,001 - 100,000  | 13                    | 55,001 - 70,000  | 7                     |
|   | 15,001 - 22,000  | 3                     |   | 100,001 - 115,000   | 14                    | 70,001 - 80,000  | 8                     |
|   | 22,001 - 25,000  | 4                     |   | 115,001 and over  | 15                    | 80,001 - 100,000                                       | 9                     |
|   | 25,001 - 31,000  | 5                     |   |   |                       | 100,001 and over                                       | 10                    |
|   |  |                       |   |   |                       |  |                       |
|   |  |                       |   |   |                       |  |                       |
|   |  |                       |   |   |                       |  |                       |
|   |  |                       |   |   |                       |  |                       |
|   |  |                       |   |   |                       |  |                       |

**Table 2: Multiple Pensions/More-Than-One Income Worksheet**

| Married Filing Jointly                                  |                       | All Others  |                       |
|---|-----------------------|---|-----------------------|
| If amount from <b>HIGHEST</b> paying pension or job is— | Enter on line 7 above | If amount from <b>HIGHEST</b> paying pension or job is— | Enter on line 7 above |
| \$0 - \$60,000  | \$470                 | \$0 - \$30,000  | \$470                 |
| 60,001 - 110,000  | 780                   | 30,001 - 70,000   | 780                   |
| 110,001 - 150,000                                       | 870                   | 70,001 - 140,000  | 870                   |
| 150,001 - 270,000                                       | 1,020                 | 140,001 - 320,000                                       | 1,020                 |
| 270,001 and over  | 1,090                 | 320,001 and over  | 1,090                 |